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1 IN THE UNITED STATES DISTRICT COURT FOR THE  
2 NORTHERN DISTRICT OF OKLAHOMA

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4

W. A. DREW EDMONDSON, in his )  
5 capacity as ATTORNEY GENERAL )  
OF THE STATE OF OKLAHOMA and )  
6 OKLAHOMA SECRETARY OF THE )  
ENVIRONMENT C. MILES TOLBERT,) )  
7 in his capacity as the )  
TRUSTEE FOR NATURAL RESOURCES)  
8 FOR THE STATE OF OKLAHOMA, )

)

9 Plaintiff, )

)

10 vs. )4:05-CV-00329-TCK-SAJ

)

11 TYSON FOODS, INC., et al, )

)

12 Defendants. )

13 -----

14 THE VIDEOTAPED 30(b)(6)

15 DEPOSITION OF READ HUDSON, produced as a witness

16 on behalf of the Plaintiff in the above styled and

17 numbered cause, taken on the 20th day of August,

18 2007, in the City of Fayetteville, County of

19 Washington, State of Arkansas, before me, Lisa A.

20 Steinmeyer, a Certified Shorthand Reporter, duly

21 certified under and by virtue of the laws of the

22 State of Oklahoma.

23

24

25

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1 MR. SANDERS: Bob Sanders for the Cal-Maine  
2 defendants.

3 MR. ELROD: John Elrod for defendant  
4 Simmons.

5 VIDEOGRAPHER: Thank you. The witness may 09:05AM  
6 be sworn in.

7 READ HUDSON  
8 having first been duly sworn to testify the truth,  
9 the whole truth and nothing but the truth, testified  
10 as follows:

11 DIRECT EXAMINATION

12 BY MR. GARREN:

13 Q Would you please state your name to the court  
14 and for the Record?

15 A Read Hudson. 09:05AM

16 Q Mr. Hudson, are you currently employed?

17 A Yes.

18 Q For whom are you employed?

19 A Tyson Foods.

20 Q And that formal name is Tyson Foods, Inc.; is 09:05AM  
21 that correct?

22 A Yes, sir.

23 Q What position do you hold there?

24 A Vice-president, associate general counsel and  
25 corporate secretary. 09:05AM

00028

1 with pork I assume?

2 A Live swine grow-out operations.

3 Q And Tynet Corporation, what does it do?

4 A I'm drawing a blank. It has something to do

5 with, you know, providing -- I'm probably getting it 09:34AM

6 confused with National Comp Care but it has

7 something to do with the comp side of our business,

8 workers' comp side.

9 Q It's insurance-type related then?

10 A I think so, I think so, but I'm just drawing a 09:35AM

11 blank at the moment.

12 Q Is there something else you think it might be

13 that you are trying to make a decision between the

14 two?

15 A It has nothing to do with the growing or 09:35AM

16 selling of chickens.

17 Q Very good, and Tyson Breeders, Inc., what does

18 it do?

19 A In some states it owns the breeding parts of

20 the business, the -- 09:35AM

21 Q When you say some states, does it include

22 either Arkansas or Oklahoma in that?

23 A No.

24 Q Okay. Tyson Chicken, Inc., what does it do?

25 A It owns and operates poultry production 09:35AM

00029

1 operations in Noel, Missouri, Dexter, Missouri.

2 It's -- it's all the old Hudson Foods operations.

3 Q And Hudson Midwest that's below it, is that

4 limited to that state of Nebraska or is it wider

5 than that in its operation? 09:36AM

6 A It actually had -- all it owns today are some

7 bonds for some industrial revenue bond financing.

8 Q So it doesn't really do anything with

9 production with birds?

10 A No, sir. 09:36AM

11 Q Tyson Poultry, Inc., what does it do?

12 A It is the -- owns -- it owns and operates

13 poultry production facilities that up until '98 were

14 in the name of Tyson, '98 or '97 were in the name of

15 Tyson Foods. So anything in northwest Arkansas 09:37AM

16 would be in -- under the Tyson Poultry, Inc., name.

17 Q Did that have to do with the name to get Tyson

18 Foods, Inc., at the top of the list of all these

19 corporations?

20 A No, sir. 09:37AM

21 Q In other words, you said this was Tyson Food,

22 Inc., is that correct, that took over from that?

23 A In '97 or '98 we did a little -- some

24 restructuring to create it where Tyson Foods, Inc.,

25 was more of a holding company, but at the time it 09:37AM

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1 owned and operated a lot of assets on its own. So  
2 the assets that were not already in a subsidiary we  
3 shoved down into a subsidiary.

4 Q And that became Tyson Poultry, Inc., at least  
5 in part? 09:38AM

6 A Yeah. We created the subsidiary and shoved  
7 the assets into it.

8 Q So does it have operations then that involve  
9 the IRW, the Illinois River watershed?

10 A Yes, it does. 09:38AM

11 Q And then the next item here, does that include  
12 Oklahoma side and the Arkansas side of the IRW?

13 A Yes, sir.

14 Q Does Tyson Mexican Original, Inc., what does  
15 it do? 09:38AM

16 A Produces chips and tortillas.

17 Q Okay. Going up to the next column,  
18 Receivables Corp?

19 A That's an entity that we formed a few years  
20 ago to do some receivables-based financing. 09:38AM

21 Q Tyson Sales & Distribution, Inc.?

22 A That's an entity that we formed back in '97 or  
23 '98, took all the -- the sales basically get  
24 funneled through.

25 Q So the sales of poultry go through? 09:39AM

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1 court, what that means.

2 A Slaughter is where you take the live bird and

3 kill it and get it in -- I mean, you could get it in

4 a position to sell it then. When I think of further

5 processing, I'm thinking where you either cook it, 09:49AM

6 marinate it, add something to it, you know. You can

7 put it in a lot of different forms at that point,

8 but just think of the fresh birds, you know, the

9 packages of chicken that you see in the cases in the

10 grocery store. That's what I think of as coming out 09:49AM

11 of, you know, the main primary processing plant.

12 Further processing plants are things that come in

13 the box that have had something else done to it.

14 Q And it operates in Oklahoma and Arkansas,

15 Tyson Chicken, Inc.? 09:49AM

16 A Well, it -- no. It has a facility in Noel,

17 Missouri. I think it's got a feed mill in Oklahoma.

18 I'm not sure if there's a hatchery associated with

19 that Noel complex. I'm not sure exactly where that

20 location is. I don't think it's in Arkansas. 09:50AM

21 Q What is the facility in Noel that you refer

22 to?

23 A The -- it's a processing facility.

24 Q Processing, and do you know the location in

25 Oklahoma of the feed mill? 09:50AM

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1 A I think it's in Westville.

2 Q So for Tyson Chicken, Inc., of the complexes

3 it owns that might service Arkansas or Oklahoma

4 specifically in the IRW area, is it limited to the

5 Noel complex that you referred to? 09:50AM

6 A Yes, sir.

7 Q Okay. Does it have then other complexes

8 elsewhere is what I understand?

9 A Yes, sir.

10 MR. GEORGE: By it, you are referring to 09:50AM

11 Tyson Chicken?

12 MR. GARREN: Tyson Chicken, Inc. I'm

13 trying to just talk about Tyson Chicken, Inc., and

14 see how it --

15 A That's what I understood. 09:51AM

16 Q All right. Do you know generally how many

17 other states it operates in besides Noel, Missouri

18 and this Westville feed mill?

19 A I believe it operates in four other states.

20 Q Four other? 09:51AM

21 A Uh-huh.

22 Q Do you know those states?

23 A Yeah. It operates in Kentucky, Indiana,

24 Alabama, and I probably need to change my answer.

25 It has a facility in southwest Arkansas in Hope. 09:51AM

00040

1 I'm trying to confine my answers to thinking of the  
2 Illinois River watershed, and Hope, Arkansas clearly  
3 would not be within that, but I think earlier I said  
4 it's not in Arkansas and that's not correct.

5 Q Okay, and then plus the operation in Noel that 09:51AM  
6 you've already told us about?

7 A And there's another one in Missouri as well,  
8 in Dexter, Missouri.

9 Q In Dexter, okay. Who are the board of  
10 directors for Tyson Chicken, Inc.? 09:52AM

11 A John Tyson, Richard Bond, Wade Miquelon.

12 Q You need to spell that.

13 A M-I-Q-U-E-L-O-N.

14 Q Okay. Any others?

15 A No. 09:52AM

16 Q And who are the officers then for Tyson  
17 Chicken, Inc.?

18 A Those -- Mr. Tyson is the chairman. Mr. Bond  
19 is the president and CEO. Mr. Miquelon is the chief  
20 financial officer. There is a -- Al Gonzales is an 09:52AM  
21 executive vice-president. Craig Hart, H-A-R-T, is a  
22 senior vice-president. David Van Bebber, V-A-N,  
23 space, capital B-E-B-B-E-R, is a senior  
24 vice-president. Dennis Leatherby,  
25 L-E-A-T-H-E-R-B-Y, is a senior vice-president and 09:53AM



00041

1 treasurer. I am a vice-president and secretary.

2 Nathan Hodne, H-O-D-N-E, is an assistant secretary.

3 I think that's it.

4 Q Okay. I assume then the chain of command

5 between Tyson Foods, Inc., and Tyson Chicken, Inc., 09:54AM

6 pretty much resides with the same person, Richard

7 Bond or John Tyson, to make that connection?

8 A Mr. Bond.

9 Q Does Tyson Chicken, Inc. -- has it in the past

10 executed breeder pullet contracts or hatching egg 09:54AM

11 contracts?

12 A Yes.

13 Q Does it continue to do that today?

14 A Yes, it does.

15 Q Does it have any other contracts it might 09:54AM

16 execute in the poultry-related business?

17 A Sure. While you've hit on a big volume of

18 them right there, anything to do -- that might be

19 associated with the operation of their facilities,

20 you know, whether it be a sanitation contract, they 09:55AM

21 certainly employ all the people that work at those

22 facilities. While those aren't written contracts,

23 they are the employer. So, you know, like I said, I

24 can't -- I can't, you know, think of them all by

25 name but you'll think of a facility that has a lot 09:55AM

00042

1 of utility contracts --

2 Q I understand that, but basically with regard

3 to the actual poultry related, it's going to be

4 breeder pullet or hatching eggs. Does it do broiler

5 contracts, if you know? 09:55AM

6 A Oh, yes.

7 Q Let's move to the entity Tyson Poultry, Inc.

8 I basically want to go through the same set of

9 questions for you, if you would, please, and what

10 basically does it do for the Tyson entities? 09:55AM

11 A The same thing that Tyson Chicken, Inc., does.

12 It owns and operates, you know, poultry production

13 complexes in various locations.

14 Q Why don't we describe those locations then

15 where it does in fact do that kind of work? 09:56AM

16 A In Arkansas, Oklahoma, Missouri, Alabama. I

17 think that's it.

18 Q I've seen where it's executed a lot of broiler

19 contracts. Is that a correct statement?

20 A Yes. 09:56AM

21 Q Does it also do breeder pullet contracts with

22 growers?

23 A Yes, it does.

24 Q And does it do hatching egg contracts?

25 A Yes. 09:56AM

00043

1 Q Are there any other type of contracts it might

2 enter into related to the growing of poultry?

3 A Not to the growing part. That should be about

4 it.

5 Q Okay. Let's identify its board members, if 09:57AM

6 you would, please.

7 A It's the same group that I just gave you for

8 Tyson Chicken, Inc.

9 Q And would those list of offices be the same

10 for the same people as listed? 09:57AM

11 A Yes, sir.

12 Q And what I refer to as the chain of command

13 will go through Mr. Bond again to communicate

14 between Tyson Foods, Inc., and Tyson Poultry, Inc.?

15 A Yes, sir. 09:57AM

16 Q Let's move, if you would, then to the entity

17 Cobb-Vantress, Inc. Where does it have operations?

18 A First of all, its corporate headquarters are

19 in Siloam Springs, and then it has operations in

20 Arkansas and Oklahoma, Kentucky and Georgia. I 09:58AM

21 think that's it.

22 Q Was this company acquired by Tyson in 1994?

23 A We up -- in '94 we owned half of it already

24 and we acquired the other half. That's where it

25 became wholly owned in '94. 09:58AM

00049

1 later.

2 Q For purposes of control in the Tyson entities,  
3 does Cobb-Vantress take direction, if you will, from  
4 Tyson Food, Inc.?

5 A Yes. 10:24AM

6 Q And the other entities, Tyson Chicken, does it  
7 likewise take direction from Tyson Food, Inc.?

8 A Yes.

9 Q And Tyson Poultry, Inc., does it take  
10 direction from Tyson Food, Inc.? 10:24AM

11 A Yes.

12 Q Do each of these entities own birds for  
13 purposes of production or is that confined to a  
14 single entity that might own the bird?

15 A Which entities are you talking about? 10:24AM

16 Q The ones we just talked about. Let me ask it  
17 this way: Does Tyson Food, Inc., own birds?

18 A No.

19 Q Does Tyson Chicken, Inc., own birds?

20 A Yes. 10:25AM

21 Q And Tyson Poultry, Inc., does it own birds?

22 A Yes.

23 Q And does Cobb-Vantress own birds?

24 A Yes.

25 Q And those birds would be associated with their 10:25AM

00050

1 particular area where they in fact operate?

2 A That would be correct.

3 Q We talked earlier -- Poultry, Tyson Poultry

4 and Tyson Chicken had similar birds with regard to

5 broilers, breeders, layers, that sort of thing; 10:25AM

6 correct?

7 A Yes, sir.

8 Q So am I correct in getting this feeling that

9 the organizational structure kind of is controlled

10 at least in part by these complexes or areas of 10:25AM

11 operation geographically? Is that how these

12 companies associate or am I mistaken in that?

13 MR. GEORGE: Object to form.

14 A Try that one again.

15 Q What's the purpose for having Tyson Poultry, 10:25AM

16 Inc., and Tyson Chicken, Inc.; don't they perform

17 generally the same services?

18 A Yes, but they own different facilities.

19 Q All right, and those -- I'm sorry.

20 A As I said, I gave you the locations where 10:26AM

21 Tyson Chicken, Inc., owns or like I said, they'll

22 own, you know, the complex, the hatchery, the feed

23 mill and the processing facility. Except in very

24 limited instances they don't own the houses where

25 the chickens are actually raised and the same thing 10:26AM

00051

1 with Tyson Poultry, Inc.

2 Q Let me hand you Exhibit No. 23 and ask you to

3 look at that document, if you would, please. I'll

4 represent to you, sir, this is a document I

5 downloaded from the website of Tyson Foods, Inc., 10:26AM

6 and it is a map and also a listing of locations.

7 MR. GEORGE: Rick, do you have a more

8 legible listing? The font on the second page is

9 very fine.

10 MR. GARREN: This is the way it comes off. 10:27AM

11 MR. GEORGE: Off the Internet?

12 MR. GARREN: Yeah.

13 MR. GEORGE: So, no, you don't have a more

14 legible one?

15 MR. GARREN: No, I don't. 10:27AM

16 MR. GEORGE: And, Rick, the third page, is

17 that something you downloaded from the Internet? It

18 has some handwritten notes on it that says work

19 copy.

20 MR. GARREN: That shouldn't be on there. 10:27AM

21 MR. GEORGE: Is that yours?

22 MR. GARREN: Yeah. If we can pass those

23 back, I would appreciate it.

24 MR. GEORGE: Sure. Just in terms of

25 clean-up, we now have two pages. One is a map and 10:27AM

00060

1 loans to farms in the IRW, northwest Arkansas,  
2 northeast Oklahoma area?

3 A Yes.

4 Q And did you tell me when Oaklawn started as a  
5 part of a Tyson entity? 10:39AM

6 A I don't think you asked that earlier but it  
7 was the mid '90's, '95, '96.

8 Q We kind of talked about the high end. I want  
9 to talk about starting at the other end of the

10 structure, if you would, of Tyson and tell me if I'm 10:40AM

11 correct. Starting at the bottom, basically you have  
12 a grower that grows poultry?

13 MR. GEORGE: Object to the form. In  
14 between the grower and the structure of Tyson Foods?

15 Q Let me ask it this way: Does Tyson Food 10:40AM

16 operate any -- own or operate any poultry growing

17 operations today? What I'm referring to as a

18 poultry growing operation is a poultry barn where

19 the birds sit and grow.

20 A Does Tyson Foods -- 10:40AM

21 Q Inc. Starting with Tyson Foods, Inc., do they

22 own or operate any poultry growing barns?

23 A No.

24 Q All right. Does Tyson Poultry, Inc., own the

25 poultry barns and the birds that are in them? 10:41AM

00061

1 A A very few, yes.

2 Q Are any of those located in northwest

3 Arkansas, northeast Oklahoma?

4 A I don't know the answer to that.

5 Q Does Tyson Chicken, Inc., own poultry barns 10:41AM

6 for growing birds?

7 A I think a very few, yes.

8 Q Are they in northwest Arkansas or northeast

9 Oklahoma area?

10 A I don't think so. 10:41AM

11 Q And does Cobb-Vantress own poultry growing

12 barns?

13 A Yes.

14 Q Are any of them located in northwest Arkansas

15 or the northeast Oklahoma area? 10:41AM

16 A I'm not sure. I know of some contract

17 production facilities they have in that area. I

18 just don't know for sure whether they actually own

19 any of those --

20 Q Okay. 10:42AM

21 A -- in this area.

22 MR. GEORGE: Just for the Record, we have

23 another witness coming later today that can answer

24 those questions.

25 MR. GARREN: Thank you. 10:42AM



00063

1 A Yes, sir.

2 Q And when was it acquired by Tyson Foods?

3 A '95.

4 Q And where are they located?

5 A Mississippi. 10:43AM

6 Q And was that a chicken or turkey operation?

7 A Chicken.

8 Q Let's -- I want to confirm that when we talked

9 about growing operations, has Tyson Poultry owned

10 growing operations in the past? I think my question 10:44AM

11 was based on current before. So let me ask it this

12 way: Has Tyson owned growing operations in the past

13 also with regard to poultry barns?

14 A Yes.

15 Q And do you know whether or not those in the 10:44AM

16 past were located in the northwest Arkansas,

17 northeast Oklahoma area?

18 A No, I don't.

19 MR. GARREN: Is there someone else this

20 afternoon that would know that? 10:44AM

21 MR. GEORGE: (Nods head up and down).

22 Q Tyson Chicken, did they also in the past own

23 poultry operations?

24 A Yes.

25 Q And did Cobb-Vantress also own growing 10:44AM

00064

1 operations?

2 A I know they still do own some growing

3 operations.

4 Q And they have in the past for some time then;

5 correct? 10:45AM

6 A Yes.

7 Q All right. Starting at the barn, poultry

8 growing barn location where growers are responsible

9 for birds, does Tyson employ individuals to act as

10 growers for it in any capacity? That's not a good 10:45AM

11 question. Let me ask it -- does Tyson Foods -- let

12 me start at the top. Tyson Foods, Inc., does it

13 employ individuals who act as growers for it?

14 A No.

15 Q Does Tyson Poultry hire individuals who act as 10:45AM

16 growers for Tyson Poultry?

17 MR. GEORGE: Object to form. Answer if you

18 can.

19 A I wouldn't say they hire individuals. They

20 contract with in some cases individuals and in some 10:46AM

21 cases entities to, you know, act as growers.

22 Q Okay. I guess I'm trying to find out whether

23 or not does Tyson Poultry, Inc., have employees,

24 people they consider as employees act in a growing

25 capacity as a grower as opposed to a contract 10:46AM